



APRIL 2014



FY15 BUDGET PRESENTATION

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The big picture and budget principles.

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What is the economic context for this budget?

Budget Highlights

How services advance principles.



Budget Context



Process For Budget Formulation

- **Council Retreats**
- **Meetings**
 - **Stakeholders**
 - **Individual Councilmembers**
- **Department Roundtables**
- **Internal Staff Discussion**



Guiding Principles

- **Economic Development**
- **Environmental Sustainability**
- **Quality of Life**
- **Fiscal Prudence**



Economic Development

- ✓ **FACT: 13 new businesses opened in 2013; 4 businesses expanded**
- ✓ **FACT: Awarded \$1.9 million in grants to support Ethan Allen Gateway and Flower Ave Green Street**
- ✓ **FACT: Between 2011 and 2013, City staff administered over \$290,000 in federal/state grant funds to improve the façades of 25 commercial storefronts, leveraging \$250,000 in matching private investment**



Environmental Sustainability

- ✓ **FACT: Incinerated waste decreased from 4,800 tons in 1990 to 3,100 tons in 2013 (33% reduction!)**
- ✓ **FACT: Total electricity use for City facilities declined 7% since 1996**
- ✓ **FACT: 34 bio-retention facilities serve a drainage area of ~ 32 acres**
- ✓ **FACT: Solar panels & a geo-thermal system provides 20% of the City's electricity**



Quality of Life

- ✓ **FACT: Traffic accidents in Safe Speed corridors have declined 95% since the inception of the program**
- ✓ **FACT: Serious crime has decreased 29% over the past 5 years and 4% over the past year**
- ✓ **FACT: Increased senior programming has resulted in a 79% increase in participation since 2009**
- ✓ **FACT: Over 300 books in circulation per day at the Library**



Fiscal Prudence

- ✓ **FACT: The City's total debt has declined 52% since 2011**
- ✓ **FACT: The total fund balance for the city has remained greater than \$8 million for the past 4 years**
- ✓ **FACT: Earned GFOA Finance Award for the past 8 years**
- ✓ **FACT: Decreased the tax rate in 2013**



Economic Highlights



Regional Economic Trends

- **Unemployment ↓ since 2009**
 - DC 11% vs 7.5% in 2014,
 - Suburban Maryland 7% vs 5.2% in 2014
 - US 9.5% vs 6.6% in 2014
- **Job growth – 36 consecutive months of positive job change in suburban MD**
- **Housing inventory – highest level of existing home sales since late 2007**
(DC metro area)
- **Home prices – 24 straight months of positive housing price appreciation** (DC metro area)

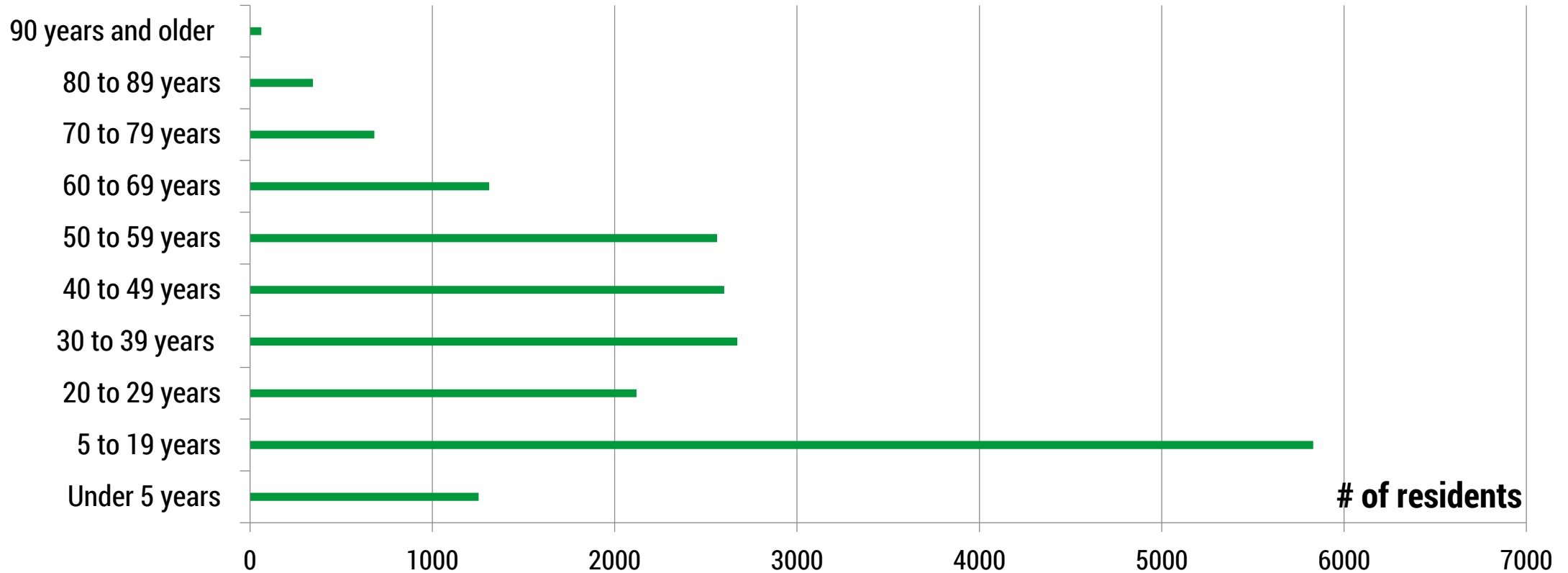


Who lives in Takoma Park?

	Takoma Park	Maryland
Black	35%	29%
White	43%	55%
Hispanic	15%	8%
Asian	4%	5%
Other	3%	3%
Foreign Born Person	31%	14%
Language other than English spoken	29%	16%
Bachelors degree or higher	54%	36%



Who lives in Takoma Park?

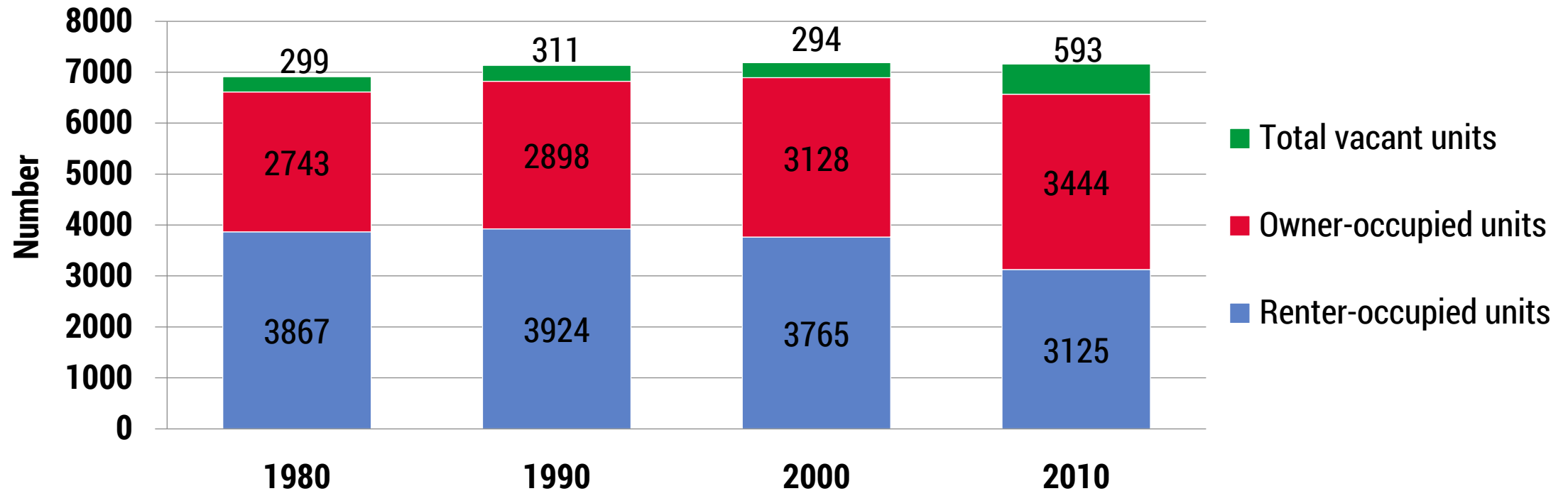


- **55% of households have children under 18**
- **Average household size – 2.5 people**
- **Montgomery County saw 13% increase in population between 2000-2010, Takoma Park population remained constant over same time period**



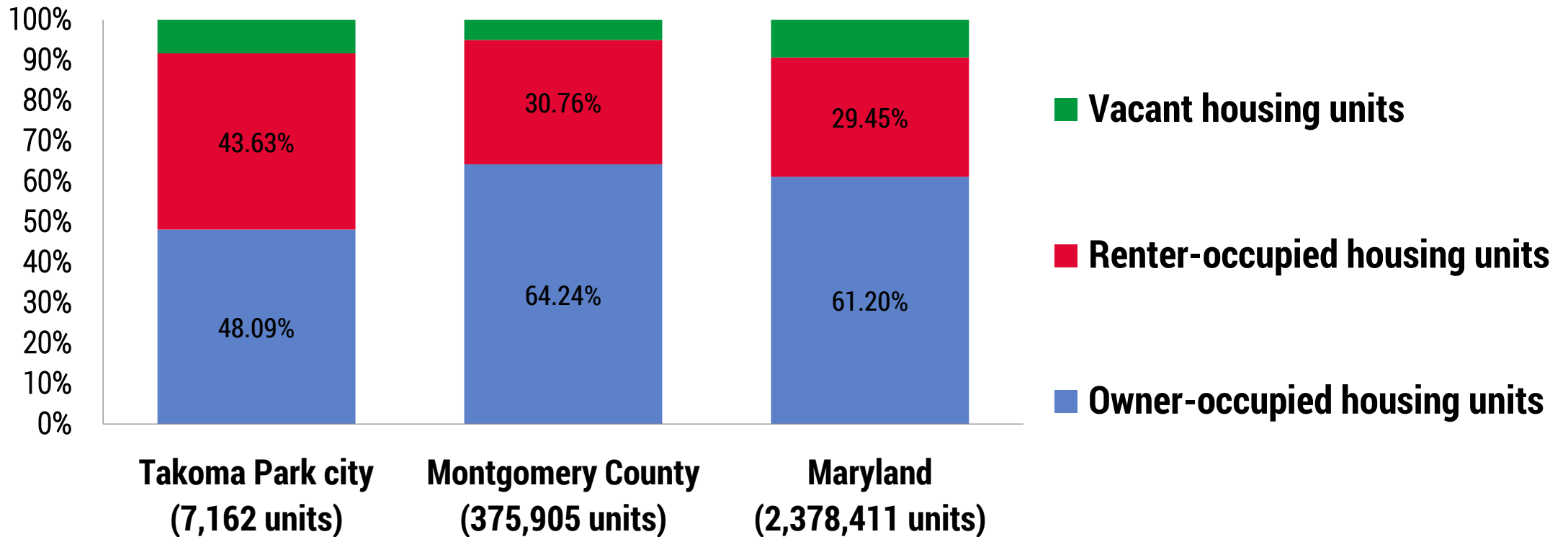
Where do we live?

Takoma Park Housing Units



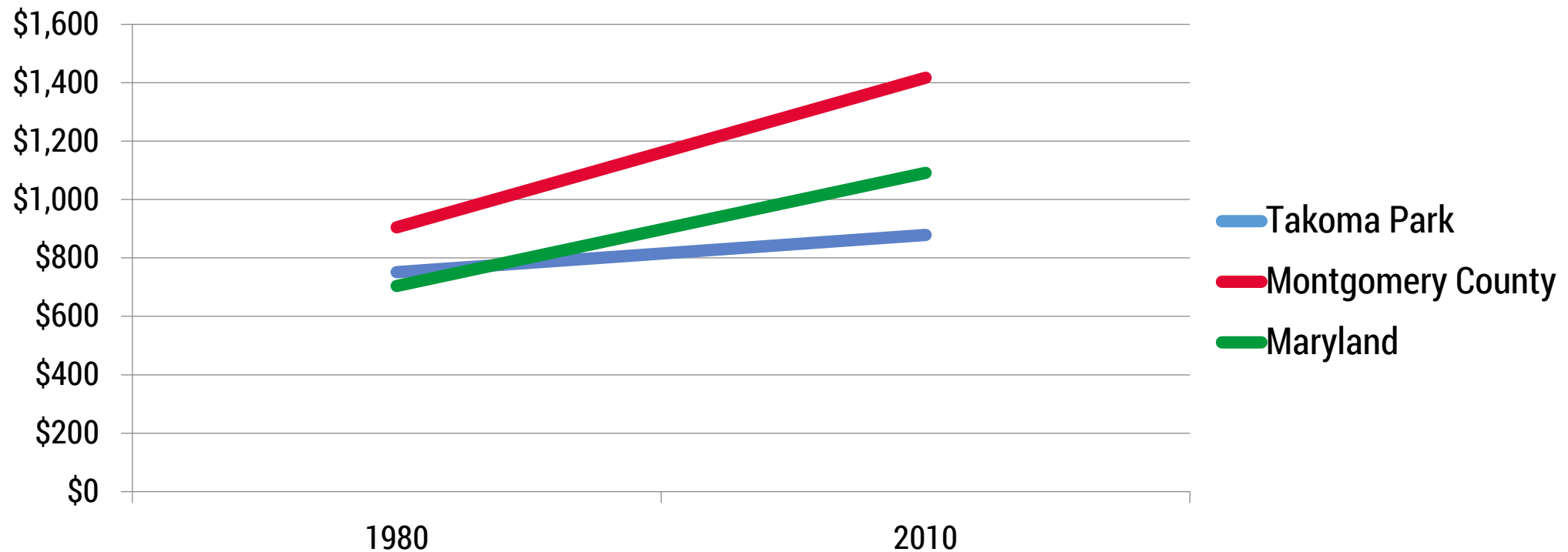
Where do we live?

Current Housing Unit Inventory



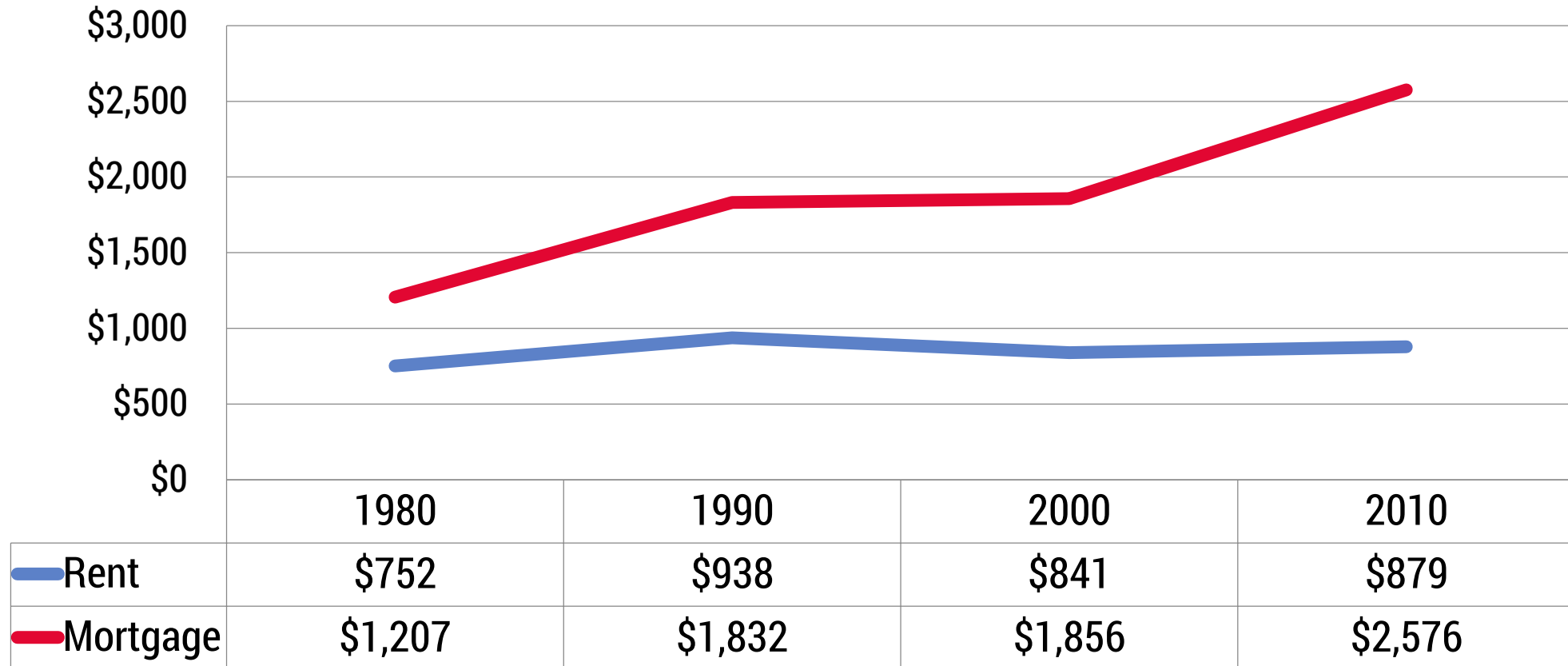
Where do we live?

Increase in Median Gross Rent Since 1980



Where do we live?

Takoma Park Rent vs Mortgage Costs



How are we doing economically?

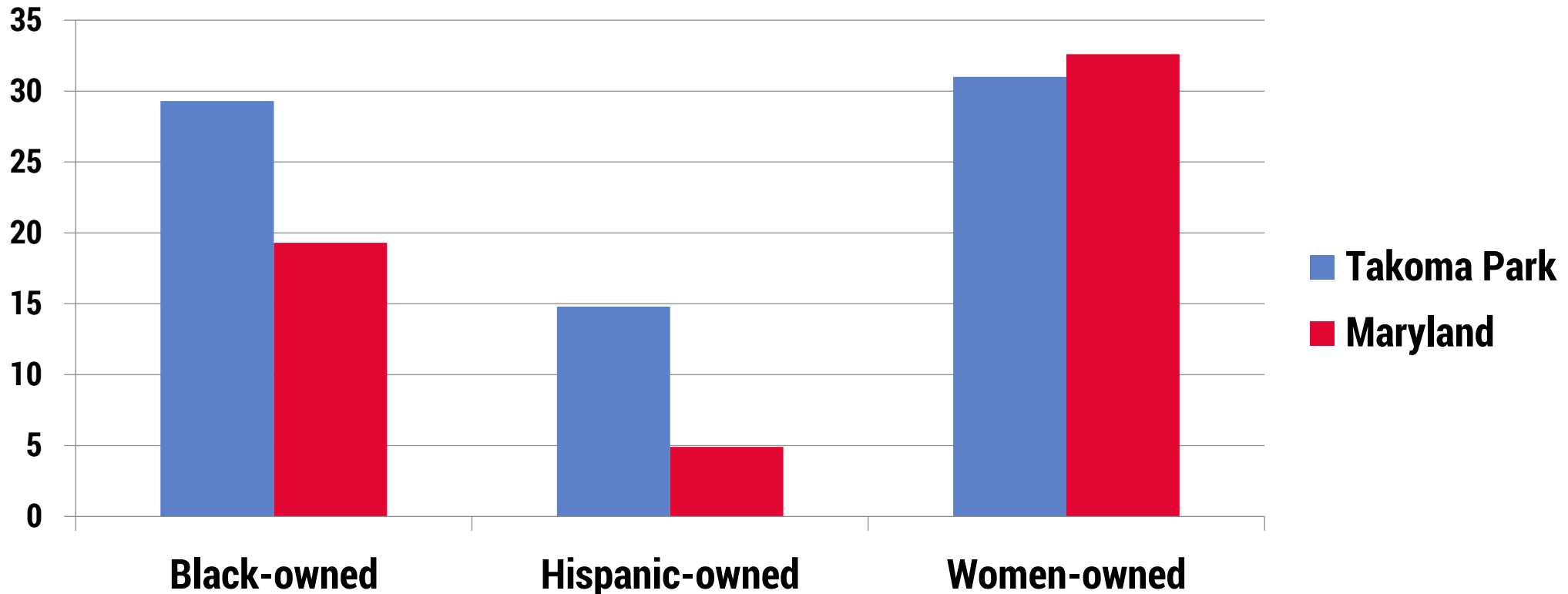
	Takoma Park	Maryland
Per capita income	\$40,070	\$35,751
Median household income	\$69,474	\$72,419
Persons below poverty line	10%	9%
Retail sales per capita	\$6,411	\$13,429



How are we doing economically?

Minority-owned Businesses

% Total Businesses

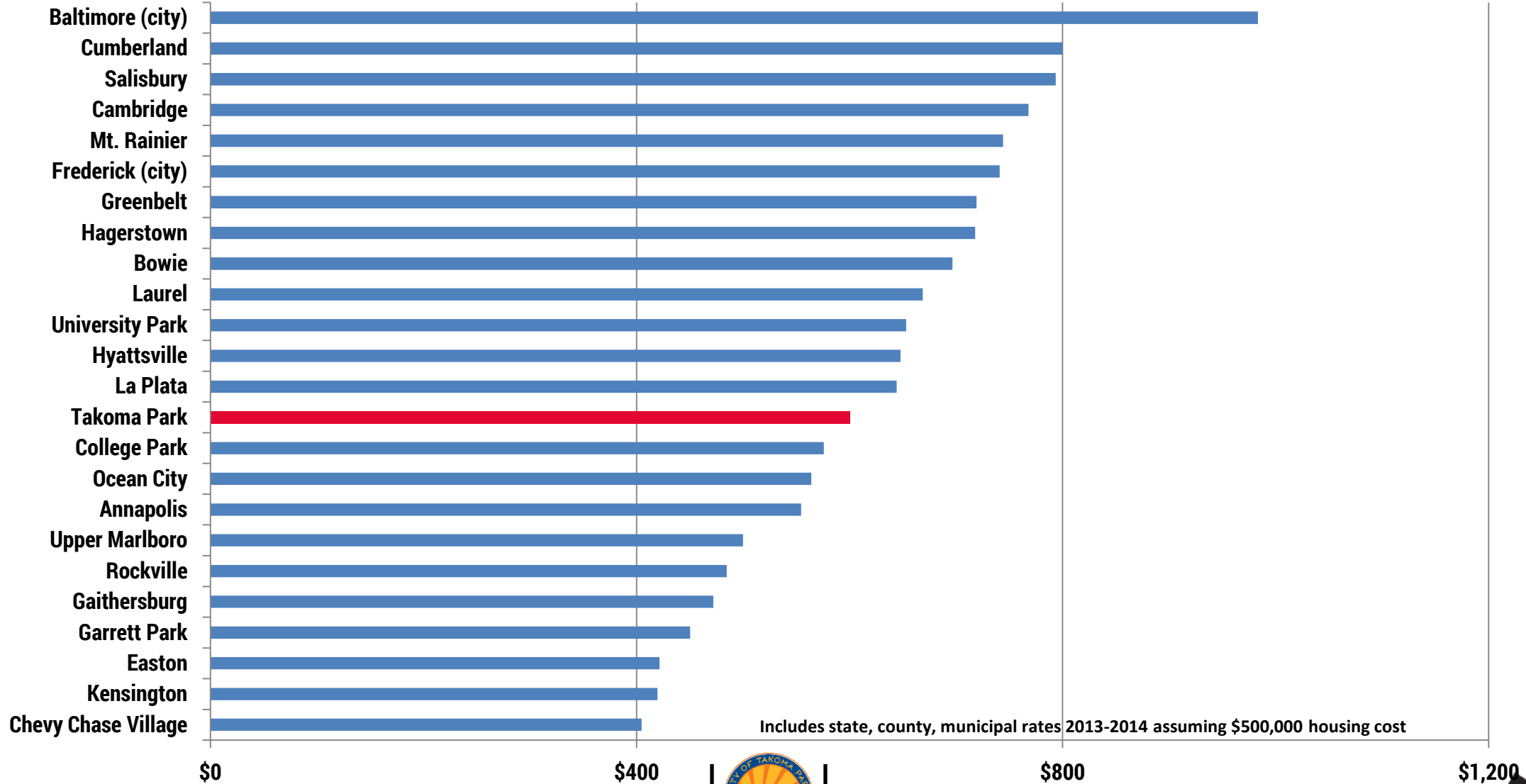


Economic Highlights



Property Tax Rate, Cost Per Month

Economic Highlights



FY2015 BUDGET PRESENTATION

Budget Highlights



County Tax Duplication Payments

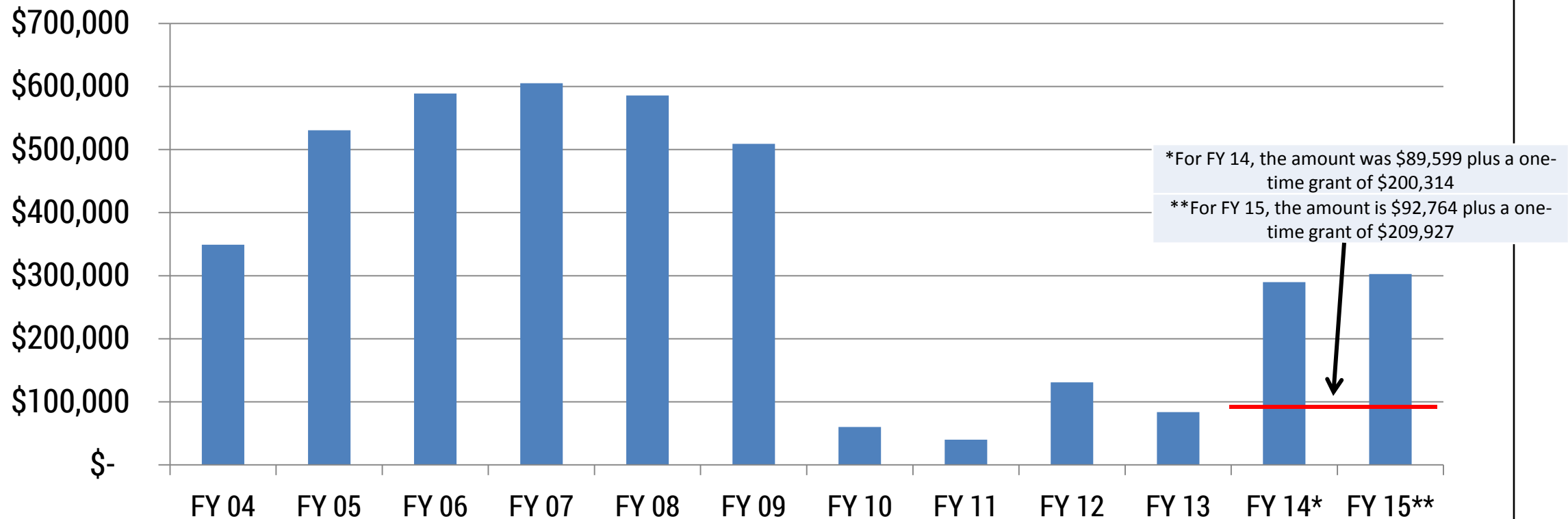
	FY14	FY15	% Change
Municipal Tax Duplication	\$ 3,513,643	\$ 3,513,643	0%
Police Rebate	\$ 916,295	\$ 951,540	4%
Library Annual Payment	\$ 108,810	\$ 132,819	22%
Total	\$ 4,538,748	\$ 4,598,002	1%

- **County duplication payments are close to 20% of the city's general fund budget**



County/State Budget Items

Highway User Revenue



FY15 Budget Summary

Revenue

	FY14	FY15	\$ Change (%)
General Fund	\$ 21,543,046	\$ 21,573,010	\$ 29,964 (0%)
Speed Camera	\$ 1,801,600	\$ 1,812,800	\$ 11,200 (1%)
Stormwater	\$ 431,900	\$ 591,150	\$ 159,250 (37%)
Special Revenue	\$ 712,281	\$ 1,806,670	\$ 1,094,389 (154%)
TOTAL	\$ 24,488,827	\$ 25,783,630	\$ 1,294,803 (5%)

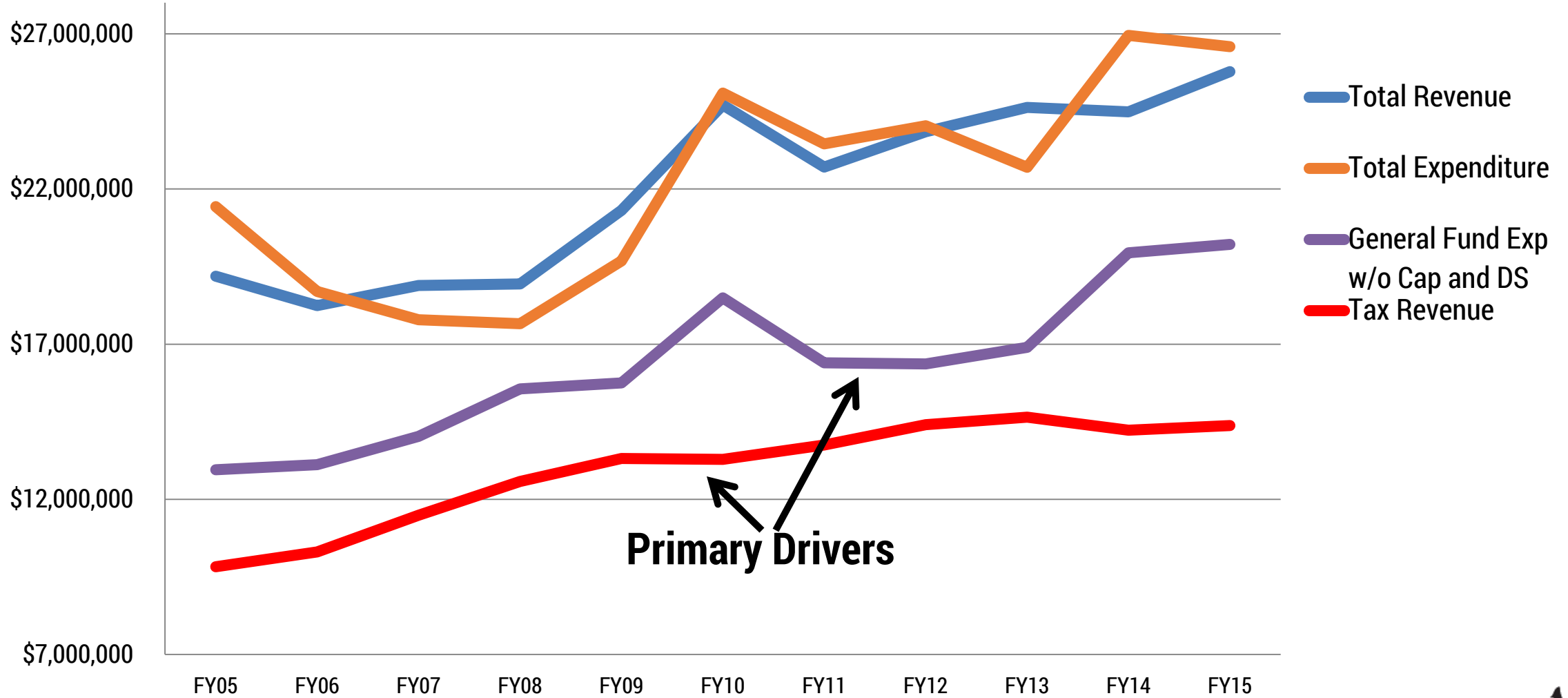
Expenditure

	FY14	FY15	\$ Change (%)
General Fund	\$ 23,751,773	\$ 23,342,435	\$ - 409,338 (-2%)
Speed Camera	\$ 1,757,754	\$ 1,356,083	\$ - 401,671 (-23%)
Stormwater	\$ 448,900	\$ 718,700	\$ 269,800 (60%)
Special Revenue	\$ 989,533	\$ 1,169,256	\$ 179,723 (18%)
TOTAL	\$ 26,947,960	\$ 26,586,474	\$ - 361,486 (-1%)



Expenditure vs Revenue

Budget Highlights



General Fund Summary

	FY14	FY15	\$ Change (%)
Revenue	\$21,543,046	\$21,573,010	\$29,964 (0%)
Expenditures	\$23,751,773	\$23,342,435	\$ -409,338 (-2%)
Fund Balance	\$8,975,910	\$8,870,477	\$ -105,433 (-1%)
FTEs	157.55	160.36	2.81
Capital Budget	\$3,431,442	\$2,752,891	\$ -678,551 (-20%)

- **FY15 budget is 2% reduction from FY14 budget**
- **Property tax rate same at \$0.57 per \$100 assessed value**
- **Total personnel budget increased 3%**
 - Increase mostly due to health, benefit, worker comp
 - Personnel compensation negotiations not complete



FTE Changes

Department	Description	Change from FY14 to FY15
Public Works	<ul style="list-style-type: none"> Convert temp gardener to full time (1.00) Construction manager (1.00), replacing administrative position (1.00) Sustainability coordinator (1.00) 	2.00
Library	<ul style="list-style-type: none"> Substitutes added to FTE count, minimal financial impact (.74) 	.74
General Government	<ul style="list-style-type: none"> Finance – ½ FTE for accountant assistance (.5) City Clerk – Part time benefits (.05) 	.55
Comm	<ul style="list-style-type: none"> Temporary part-time web assistance, minimal impact (.35) 	.35
Police	<ul style="list-style-type: none"> Hours mix changed in Office of Chief and Admin Svc, minimal impact (.14) 	.14
Recreation	<ul style="list-style-type: none"> Hours mix increase for senior programs, minimal impact (.13) 	.13
HCD	<ul style="list-style-type: none"> FTEs attributed to interns removed, no financial impact (.91) 	(.91)
Special Rev	<ul style="list-style-type: none"> FTE attributed to grant program removed, no financial impact (.19) 	(.19)
TOTAL		2.81



Budget at a Glance - New

Economic Development

- Recreation center study - \$40,000
- Takoma/Langley CDA support - \$30,000
- New grant program format

Environmental Quality/Sustainability

- Expansion of food waste composting throughout City - \$87,150
- Safe Grow resources -\$25,000
- Implement energy action plan items - \$127,000

Quality of Life

- Dog park - \$50,000
- Website/mobile resources - \$35,000
- Library customer online system - \$50,000

- Library space planning/design - \$50,000
- Police station planning/design - \$85,000
- Additional hours at Recreation Center
- Pilot Summer Youth employment program - \$10,000

Fiscal Prudence

- Funding Equipment Replacement Reserve - \$840,000
- Utilizing Facility Maintenance Reserve Fund Balance - \$135,000
- Police Pension contribution at actuarially recommended level - \$1,157,546
- ½ FTE for Finance office



Budget at a Glance - Continued

Economic Development

- Old Takoma Business Association support
- Ethan Allen Gateway design/construction

Environmental Quality/Sustainability

- Stormwater improvements
- Anti-Littering
- Flower Ave Green Street design/construction

Quality of Life

- Sidewalks design/construction and ADA compliance work
- Support for festivals/events including Independence Day, Celebrate Takoma, Folk Festival
- Sunday library hours
- Senior services coordinator

Fiscal Prudence

- No new debt proposed
- General Fund Unreserved Fund Balance projected to be roughly \$4 million at end of FY15, recommended minimum balance is \$3 million
- Property tax rate stays at \$0.57 per \$100 assessed value



Reserve Funds

Equipment Replacement Reserve (ERR)

	Contribution	Balance
FY11	\$1,000,000	\$2,064,150
FY12	\$700,000	\$2,176,432
FY13	\$1,000,000	\$2,832,761
FY14	\$1,300,000	\$3,453,371
FY15	\$840,000	\$3,675,080

22% avg annual increase

6% annual increase

Facilities Maintenance Reserve (FMR)

	Contribution	Balance
FY14	\$250,000	\$750,850
FY15	\$0	\$559,850



On the Horizon

Employee Wage Negotiations

Municipal Tax Duplication Taskforce

Resident Survey Results

Takoma Junction RFP



Next Steps

Description	Date
Council Retreats	November 12, 2013 / January 23, 2014
Department Roundtables	February 19, 2014 / February 27, 2014
Budget Presentation	April 7, 2014
Public Hearing #1	April 7, 2014
Budget Worksession #1	April 10, 2014
Budget Worksession #2	April 17, 2014
Public Hearing #2	April 28, 2014
First Reading Budget Ordinance	May 12, 2014
Second Reading Budget Ordinance	May 19, 2014

